

HAROUTIUN DERDERIAN ARCHITECT

APRIL 16, 2007

I HAVE PUT MY CRISIS TO REST FOR NOW, ALL LOANS ARE CURRENT/GOOD STANDING AND THE STIPS ARE TO MATURE JULY 31, 2007. I AM ANXIOUS TO GET AHEAD OF NEW CRISES. I MUST HAVE SUFFICIENT LIQUIDITY TO ACCOMPLISH:

- A) THE REFINANCING OF THE FOUR PROPERTIES (A-D) 45-60 DAYS. SHOULD NET \$1.5 - \$2 MILLION.
- B) BY JUNE TO BE SELLING THE 16 CONDOS @ 206 EAST 124TH ST. ALTERATION 75% COMPLETED. SHOULD NET \$2 MILLION PLUS BY SEPTEMBER/OCTOBER.
- C) I AM FILING AN OFFERING PLAN FOR THE CONVERSION OF 316 SECOND AVENUE TO CONDOS. IT WILL TAKE 9-12 MOS. TO COMPLETE AND SHOULD NET \$2.5 MILLION.
- D) I PLAN TO COMMIT MYSELF TO THE CPC CONSTRUCTION LOAN FOR THE WAREHOUSE WITH THREE WEEKS (C. MAY 15). I WILL REQUIRE A LETTER OF CREDIT FOR \$700,000 AND ALSO \$500,000 FOR SEED MONEY TO START THE RENOVATION. THIS PROJECT WILL CASH-OUT @ \$14 MILLION.

DEFENDANT'S
EXHIBIT

N

5/13/08 LC

WHAT WOULD BE MOST USEFUL FOR ME WOULD BE TO SECURE THE ANY BORROWINGS WITH THE PLEDGE/ASSIGN/ ESCROW THE OWNERSHIP (NOT A MORTGAGE WHICH JEOPARDIZES THE 1ST AND COSTS AN ADDITIONAL 3%) ON A 4 X - 5 X LTV RELATIONSHIP AND TO BE ABLE TO TAKE ADVANCES IN \$500,000 INCREMENTS. STANDING AND INTEREST AND PRINCIPAL PAYABLE AT MATURITY AFTER A SIX MONTH LOCK-OUT ON A 12-18 MOS. DURATION. (BEYOND THE LETTER OF CREDIT)

BEYOND THE SPECIFIC COLLATERAL OF ANY PARTICULAR PROPERTY I AM PREPARED TO GUARANTY THE BORROWING IN ANY FORM THAT WILL NOT UNDERMINE THE EXISTING MORTGAGES.

IF YOU WOULD WANT TO EXPLORE THIS PLEASE LET ME KNOW AS SOON AS POSSIBLE.

I WOULD REQUIRE A MORE STREAMLINE APPROACH TO A CONCLUSION.

#13 LETTER WAS FAXED - FOLLOWED-UP
ON 18 APRIL WITH TELEPHONE CONVERSATION
WITH MICHAEL GORDON - NO COMMENT FROM HIM!